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APPENDIX

IN THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY, PENNSYLVANIA.

ALICIA VARAS

v.

THE CROWN LIFE INSURANCE COMPANY. } No. 61-5345.

Opinion and Order

GROSHENS, *J.*, December 2, 1963. This case is before the court on motions by the plaintiff and by the defendant for a new trial and for judgment notwithstanding the verdict.

The material facts are not in dispute and are as follows:

In 1944 the plaintiff's mother, as guardian of the plaintiff, applied to the defendant insurance company for insurance on the life of the plaintiff who was then a resident and citizen of Cuba. As a result of that application the defendant, a Canadian company, executed and delivered a life insurance policy to the plaintiff or her mother in Havana.

Under the insurance policy all payments to or by the defendant were to be in United States dollars. All premiums were paid in Cuba. From 1944 to 1951 an annual premium of 217 United States dollars was paid. In 1951 United States currency ceased to be legal tender in Cuba, and from then through 1960 an annual premium of 217 Cuban pesos was paid. During this latter period the exchange rate of United States dollars for Cuban pesos was one for one. In August of 1960 the plaintiff left Cuba as a refugee, and she has been a resident of the United States since that time.

In April 1961 the plaintiff made a written demand for the cash surrender value of the policy at an office of the defendant located at Haverford, Montgomery County. This demand was refused, and the plaintiff brought this suit seeking to recover the cash surrender value of the policy, or, in the alternative, to recover the premiums which she had paid.

The court directed a verdict for the plaintiff in the amount of the premiums paid and left it to the jury to determine whether to allow interest from April 1961 on that amount. The jury allowed the plaintiff six per cent interest, making a total verdict in her favor of $4,113.18.

Both parties then filed the motions in question here. The plaintiff maintains that under the insurance contract she could properly require the defendant to perform its obligations in Pennsylvania and that she is entitled to the full cash surrender value of the policy. The defendant argues that the only place of performance under the contract is Havana, and insists that it is ready to perform there and is not obligated to perform at any other place.

Where a life insurance contract does not fix the place of performance the presumption is that the contract was to be performed where it was entered into: White v. Empire State Degree of Honor, 47 Pa. Superior Ct. 52 (1911). The contract in the instant case was entered into in Cuba, and since no place of performance was stated, the contract must be performed in Cuba. Therefore, no recovery can be had based on a demand for performance in Pennsylvania.

It is impossible for the plaintiff to return to Cuba to recover under the contract, and any agent collecting for her in Cuba would not be able to forward the money to the United States. If performance on one side or the other of a contract becomes excusably impossible, and the party excused by impossibility has partly performed the contract on his side before impossibility arises, the law implies a

quasi-contractual obligation on the party receiving such performance to pay its fair value: West v. Peoples First National Bank & Trust Company, 378 Pa. 275 (1954); see 6 Williston on Contracts (rev. ed.) 5536, 5537. The same principle is applicable here. The plaintiff is obligated to go to Cuba in order to receive any benefits under the insurance contract. It is excusably impossible for her to do so. She had partly performed the contract before this impossibility arose. She is entitled to recover the value of that performance.

Her right to recovery is not based on the contract but is under the theory of unjust enrichment: White [sic] v. Peoples First National Bank & Trust Company, *supra*. Therefore, the law governing the performance of the insurance contract is not applicable, and any Cuban law which might bar such a recovery is of no effect. Since no contractual right is being enforced here, the International Monetary Fund Agreement is not involved.

It is true that the defendant has partly performed the contract on its side in that it insured the life of the plaintiff for a period of seventeen years. In return for this service the defendant had the use of the plaintiff's money during this period. The total premiums paid are less than the cash surrender value of the policy at the time the demand was made. The use of the plaintiff's money free of any charge for interest is fair compensation for the insurance coverage provided. The result reached is equitable as well as legally proper.

And Now, December 2, 1963, the motions of the plaintiff for a new trial and for judgment notwithstanding the verdict and the motions of the defendant for a new trial and for judgment notwithstanding the verdict are dismissed.

By THE COURT,
(Sgd.) David E. Groshens,
David E. Groshens,
Judge.

IN THE SUPERIOR COURT OF PENNSYLVANIA
OCTOBER TERM, 1964

ALICIA VARAS

v.

THE CROWN LIFE INSURANCE COMPANY,
Appellant

No. 93

Decision

Filed: September 17, 1964

The appeal of the defendant company is sustained and judgment non obstante veredicto in favor of The Crown Life Insurance Company, the defendant-appellant, is directed to be entered.

WATKINS, *J.*

IN THE SUPERIOR COURT OF PENNSYLVANIA
OCTOBER TERM, 1964

ALICIA VARAS, *Appellant*
v.
THE CROWN LIFE INSURANCE COMPANY } No. 176

Decision

Filed: September 17, 1964

The appeal of the plaintiff is sustained and judgment non obstante veredicto in favor of the plaintiff, Alicia Varas, is directed to be entered for the guaranteed cash surrender value of $3945 with interest from April 27, 1961.

WATKINS, *J.*

IN THE SUPERIOR COURT OF PENNSYLVANIA

ALICIA VARAS v. THE CROWN LIFE INSURANCE COMPANY, *Appellant* ALICIA VARAS, *Appellant* THE CROWN LIFE INSURANCE COMPANY	October Term, 1964 Nos. 93 and 176

Appeals from the judgment of the Court of Common Pleas of Montgomery County, No. 61-5345 of 1961.

Opinion

FILED: September 17, 1964

By WATKINS, *J.*

These appeals by the plaintiff, Alicia Varas, and the defendant, The Crown Life Insurance Company, are from the judgment of the Court of Common Pleas of Montgomery County, entered on a directed verdict in favor of the plaintiff and against the defendant in the amount of $3680 with interest, representing the amount of premiums paid on an insurance policy; and from the refusal of post trial motions for judgment n.o.v. or for a new trial.

The policy in suit was applied for by the mother of the plaintiff, as her guardian, in Havana, Cuba, in April, 1944. The policy, written upon the life of the plaintiff, was delivered by the defendant company in Cuba on July 12, 1944 with a date of issue of May 23, 1944. The contract was a twenty-year endowment policy in the face amount of $5000. At the time of the delivery the plaintiff was a resident and citizen of Cuba; the defendant was a Canadian insurance company doing business and having a place of business in Cuba. Until 1951 premiums were paid in United States dollars which were legal tender at that time. From 1951 and through 1960 the premiums were paid in pesos.

The Canadian company defendant at the time of the suit was doing business and had an office both in Cuba and in Montgomery County, Pennsylvania, U. S. A. The trouble in Cuba caused the plaintiff to leave that country in August, 1960 and she has been a resident of the United States since that time in Florida and Georgia and expresses the intention of making and continuing her residence here. She is a political refugee without citizenship. She has been admitted as a permanent resident of the United States and is a civil citizen. Blanco v. Pan American Life Ins. Co., 221 F. Supp. 219 (1963); U. S. v. Wong Kim Ark, 169 U.S. 655, 18 S. Ct. 459 (1897).

The plaintiff demanded payment by the company of the guaranteed cash surrender value of the policy and the company refused payment on the ground that the contract is governed by the laws of Cuba. The plaintiff, by a suit in assumpsit, demanded the cash surrender of the contract of insurance as provided in the policy or in the alternative, the return of the premiums paid. The defendant's answer admitted the execution and delivery of the policy of insurance and that the premiums were paid but, as new matter, alleged that performance in the United States is prohibited by Cuban law and its effect upon the contract,

Cuba being the place of the creation of the obligation; that the monetary provisions of the policy were waived and plaintiff estopped from raising them because of the payment of premiums in pesos; and because of the International Monetary Fund Agreement.

At the conclusion of the trial a verdict was directed against the plaintiff on the first cause of action, the cash surrender value, and in her favor on the alternative cause of action, the return of the premiums paid. The jury determined that she was entitled to interest. The plaintiff and defendant filed cross post trial motions and they were dismissed. Both parties appealed.

Since oral argument, we have been asked by the defendant company to disregard the question raised as to the impact of the International Monetary Fund Agreement as on April 2, 1964, effective on that date, the Republic of Cuba had withdrawn from membership.

Cuban Law No. 13 passed on December 23, 1948 provided that United States currency should cease being legal tender and cease having debt redeeming force but by Decree 1384 dated the 20th of April, 1951 extended the status of legal tender of currency of the United States until June 30, 1951 and provided that after that date it would cease to be legal tender or have debt redeeming force. It also provided that all contract obligations enforceable in Cuba should be settled only in the national currency.

In January of 1959 the Batista government was replaced by that of Fidel Castro. The Castro government was recognized and still continues to be recognized by the United States as the government of the Republic of Cuba.

Law No. 568 effective October 2, 1959 made all transfers, payments or any dealings in foreign currency felonies and by a law dated February 23, 1961 provided that only coins minted and bills issued by the National Bank of Cuba should be legal tender.

The defendant contends that Decree 1384 modified its dollar obligation to the plaintiff while law 568 must be interpreted to prohibit payment of the policy in dollars. The defendant therefore refused payment on that theory. The defendant company contends that where the contract is silent as to performance the law of the place where it is made governs. The plaintiff claims that not only can the place of performance be inferred from the policy to be the United States as well as Cuba but that the place of performance is, to wit, the place where the attempt to exercise the option of the payment of the guaranteed value took place, which was Pennsylvania, so that the monetary laws of Cuba do not apply.

The court below agreed with the defendant company that the monetary laws of Cuba apply as it was the place of the making of the contract and "since no place of performance was stated, the contract must be performed in Cuba. Therefore, no recovery can be based on a demand for performance in Pennsylvania."

However, the court below agreed with the plaintiff that it was excusably impossible to obtain performance in Cuba and said: ". . . the law implies a quasi-contractual obligation on the party receiving such performance to pay its fair value: West v. Peoples First National Bank & Trust Company, 378 Pa. 275 (1954) . . . . The same principle is applicable here. The plaintiff is obligated to go to Cuba in order to receive any benefits under the insurance contract. It is excusably impossible for her to do so. She had partly performed the contract before this impossibility arose. She is entitled to recover the value of that performance." This is on the basis of unjust enrichment and the law governing the performance of an insurance contract is not applicable and so Cuban law that might bar a recovery is of no effect.

We believe that the plaintiff was entitled to enforce the terms of the contract in regard to the cash surrender option

in Pennsylvania. We do not believe that the monetary laws of Cuba are applicable.

The contract, admittedly, made in Cuba with a foreign insurance company provided that the currency contemplated for use by the parties was "dollars, lawful money of the United States of America . . . and every amount payable to or by the company under this policy shall be payable in such currency." The entire contract was written in Spanish but it is noteworthy that it unequivocally called for all payments to be in United States dollars. This was not by happenstance but was done with the deliberate intention to make sure that the sound currency of the United States was the currency to be used rather than the uncertain, and even then fluctuating, value of Cuban pesos. We can take judicial notice of this factual consideration. Pan American Life Ins. Co. v. Recio, 154 So. 2d 197 (Fla. 1963). Up until the advent of the Castro regime the monetary exchange in Cuba between dollars and pesos was one for one. Today the peso in the United States is valueless. In the application for the policy the following question was asked. "State here any special provisions desired in the policy"; the answer was "currency of the United States of America". So both parties to this contract agreed to a "special provision" for payment in dollars. The policy further provided that payment of premiums must be made to the home office of the company or elsewhere in exchange for the company's printed form of official receipt.

The Republic of Cuba had the right and the power to specify what would be legal tender within its territory and at the time of the contract American dollars were legal tender in the Republic. The currency selected by the plaintiff and the defendant in the contract was the national currency of the United States, and it was only incidentally a currency having debt redeeming force in Cuba in 1944. The national currency of Cuba was pesos but the parties chose

to express their obligations in dollars. Only the Congress of the United States has the legislative jurisdiction to alter the characteristics of the dollar and so long as the contract is performable in the United States no act of the Republic of Cuba can alter the duty of performance here.

"Generally a contract is construed under the law of the place where it was made, but when the place of performance differs from the place of making, the law of the place of performance may prevail . . . Thus a contract normally is interpreted according to the lex loci contractus . . . Generally a contract is deemed to have been made when and where the last act necessary for its formation is done . . . regardless of the place of making or place of performance of a contract the lex fori governs the form of the remedy." 8 P. L. E. § 122.

The court below entered judgment against the plaintiff in her claim for the guaranteed value of the policy because of the general rule holding: "Where a life insurance contract does not fix the place of performance the presumption is that the contract was to be performed where it was entered into: White v. Empire State Degree of Honor, 47 Pa. Superior Ct. 52 (1911). The contract in the instant case was entered into in Cuba, and since no place of performance was stated, the contract must be performed in Cuba. Therefore, no recovery can be had based on a demand for performance in Pennsylvania." By this decision the court below held that the Cuban monetary laws prevented acceptance of the option in the United States.

It is true that a contract is deemed to have been made when and where the last act necessary for its formation is done and that place, so far as this endowment policy is concerned, is the Republic of Cuba where the delivery of the policy took place. But contained in the policy contract and an integral part of the consideration in its purchase are

several options, one of which is pertinent to this case and reads as follows:

> "Guaranteed values. At the end of the third or any subsequent policy year, or within thirty-one days thereafter, provided all premiums to date have been paid in full, and in the absence of any legal restrictions, and upon legal surrender of this policy to the Company for cancellation, the Company will grant, subject to adjustment in case of indebtedness to the Company, one of the following options: (a) A cash value of the amount stated in the following schedule:
>
> | End of Policy Year | Cash Value |
> |---|---|
> | ••• | ••• |
> | 17 | $789.00 |
> | ••• | •••" |

It is also noteworthy that beneath the schedule of guaranteed values for each $1000 of sum insured the following appears: "The currency unit of the above guaranteed values is that stipulated on the first page hereof" (Dollars, lawful money of the United States of America).

The election to accept this option could be made at any time before performance of the obligation of the principal contract by its maturity or the death of the insured. The option has been described as a continuous, irrevocable, offer which can only materialize into a contract by its acceptance by the defendant. U. S. v. Penn Mutual Life Ins. Co., 130 F. (2d) 495. "The cases so far as we are advised are at one in holding that the rights of the parties are fixed when an option given by a policy is exercised by the insured." Lipman v. Equitable Life Assurance Society, (C. C. A. 4) 58 Fed. (2) 15, at page 118; Goldin, The Law of Insurance in Pennsylvania, Vol. II, 2d Ed., § 763; 91 A. L. R. 1450. The option is executory so the law governing the place of performance in this case, the acceptance of the offer of guaranteed payment is the place of its execution and per-

formance. Lieberkind v. Mexican Light and Power Co., 116 F. 2d 971 (2d Cir. 1941).

So if we agree with the court below that the principal contract, the endowment policy, was made in Cuba and refuse to accept the contention of the plaintiff that it can be inferred from the currency provisions in the policy that the place of performance was the United States of America this reasoning would not apply to the option where only the offer was made in Cuba. The last act necessary to create the obligation of the payment of the cash surrender value took place in the United States. An inference is created by the currency provisions that the place of performance of the option could very well be either Cuba or the United States. Once the insured exercised her option under the policy, without anything further being done by the insurer, the rights of the parties are fixed. Pacific States Life Insurance Co. v. Bryce, 67 Fed. (2) 710; Lipman v. Equitable Life Assurance Society, *supra.* See also: Cases Annotated in 91 A. L. R. 1450.

The contract provides that the guaranteed value will be paid upon "legal surrender of this policy to the company for cancellation." The home office of this company is in Toronto, Canada where the policy was executed by the officers of the company and its legal residence is wherever it has an office and wherever it is legally entitled to do business. One such legal residence is Montgomery County, Pennsylvania and it was to this office that the legal surrender of this policy was directed.

It is true that the option itself says: "In the absence of any legal restrictions", but this could only refer to legal prohibitions as to payment of such guaranteed values and does not refer to the medium of payment and no such restriction appears in those sections applying to medium of payment.

The defendant maintains an office to do insurance business in the Commonwealth of Pennsylvania; it is the place

where plaintiff exercised her option, accepted the continued offer of the defendant and by this performance created the full contractual obligation. David v. Veitscher Magnesitwerke Actien Gesellschaft, 348 Pa. 335, 35 A. 2d 346 (1944).

We agree that the currency laws of Cuba must be honored by the government of the United States and by our courts if Cuban law is applicable. The power of a sovereign state over its currency is absolute. This was especially true when both countries were signatories to the Bretton Woods Agreement, a treaty of the United States and therefore a part of the supreme law of the land. The Bretton Woods agreement specifically requires the recognition and honoring of Cuba's currency laws. The Bretton Woods agreement brought into being the "International Monetary Fund Agreement", 60 Stat. 1401-1411, 1945. However, Cuba has withdrawn from membership so that a new look must perchance be taken at the cases based on the fund agreement when membership was held by both countries. It is true, however, that even prior to the currency treaty foreign exchange regulations were held to be applicable in suits in the United States. This is in line with our public policy to prevent evasion of currency obligations in the nation where the obligation is payable. Steinfink v. N. German Lloyd S. Co., 176 Misc. 413, 27 N.Y.S. 2d 918 (App. Div. 1941).

The plaintiff contends that the Cuban laws were not properly admitted and further they were not proven to be currently in effect. We will not discuss this question because we are holding that even if they are in effect, the law of Cuba is not applicable and the law of Pennsylvania is, where the creation of the contractual rights under the option and its performance took place in Pennsylvania.

"The place of performance is the state where, either by specific provision or by interpretation of the language of the promise, the promise is to be performed." Restatement of the Law, Conflict of Laws, § 355, page 434 (Restate-

ment of the Law, Conflict of Laws, Pa. Annotations § 355, page 122. Pennsylvania law is in accord with Restatement. See collection of cases).

"When a contract involves a promise to do one thing or another at the option of either party the place of performance is undetermined until the option is exercised, and it then becomes the place of performing the promise which is chosen by the party having the option." Restatement of the Law, Conflict of Laws, § 356, page 435.

In the instant case the plaintiff had the option in the event she did not wish to await the maturity of the policy, to accept the offer of the guaranteed surrender value. She did this in Pennsylvania, where the defendant had a corporate residence and was authorized to do business.

As to the waiver and the contention of estoppel there is some question in this record whether payment of premiums by the plaintiff was in dollars even though the company deposited it in pesos. But again if we determine that the option was exercised in Pennsylvania when the offer was accepted the rights of the parties are fixed at that time in a full contractual obligation.

The witness for the company admitted that regardless of whether pesos or dollars were delivered to the company in Cuba in payment of premiums, such payment would be converted to a peso credit upon deposit in the bank. The notice of premium in some instances contained the legend: $217 M. N. This was indicated to mean "Moneda Nacional" so that the premium so marked called for payment in pesos rather than dollars and the plaintiff contends that this is a modification of the policy. The contract itself provides that any modification or change in its terms must be endorsed on the policy to be binding. The "M. N." provision was not endorsed on the policy.

It just doesn't make common sense that the meeting of minds of a Canadian insurance company doing business

and having a corporate residence in Cuba, as well as in a number of other countries, and a Cuban national in the execution of an endowment insurance policy that provides that all payments under the contract shall be in the currency of another country, also a corporate residence of the company, includes the intention that the only place of performance is in Cuba and the company is not obligated to perform at any other place. This is especially true when the law protects the insured from contracts prepared by the insurer by providing that their interpretation, if any ambiguity appears, shall favor the insured. Nothing in the policy limits performance of the option. The court should apply a rule which protects the insured. Blanco v. Pan American Life Insurance Co., 221 F. Supp. 219 (1963).

The appeal of the defendant company is sustained in No. 93, October Term, 1964 and judgment non obstante veredicto in favor of The Crown Life Insurance Company, the defendant-appellant, is directed to be entered; and the appeal of the plaintiff in No. 176, October Term, 1964, is sustained and judgment non obstante veredicto in favor of the plaintiff, Alicia Varas, is directed to be entered for the guaranteed cash surrender value of $3945 with interest from April 27, 1961.

IN THE SUPREME COURT OF PENNSYLVANIA

No. 294 A

Miscellaneous Docket No. 13

ALICIA VARAS

v.

THE CROWN LIFE INSURANCE COMPANY, *Petitioner*

Order

Filed: March 22, 1965

PER CURIAM

Petition dismissed.

Law No. 13 of December 23, 1948

I, CARLOS PRIO SOCARRAS, President of the Republic, do hereby make known that Congress has voted and I have sanctioned the following:

LAW

TITLE I

THE NATIONAL BANK OF CUBA

CHAPTER I

Constitution and Purpose of the Bank

Article 1. An autonomous credit institution with juridical capacity is hereby created for an indeterminate duration under the denomination of National Bank of Cuba, which shall be governed by the provisions of this Law and by its own by-laws.

Article 2. The National Bank of Cuba shall have its domicile in the City of Havana, but it may establish branches within the national territory and appoint agents or correspondents in said territory and abroad.

Article 3. The purpose of the National Bank of Cuba is to centralize the monetary reserves, supervise and control credit, create and withdraw media of payment, act as Trustee (Fiduciary Agent) of the Currency Stabilization Fund, and cooperate with the latter in the exchange policy of the Nation; to serve as Financial Agent and Advisor of the State; to exercise, in respect of private banking institutions, the functions vested in it hereunder; and to act as a clearing house (compensation chamber).

* * *

Chapter III

Organization and Government

• • •

Section Third

The Board of Direction

• • •

Part Two

Powers of the Board

Article 38. The Board of Direction shall manage the National Bank of Cuba in accordance with the provisions of this Law and of its By-Laws after hearing the recommendations of the Assembly of Stockholders and the Currency Stabilization Fund, and is vested with the following powers:

• • •

12) To accept or reject the financing o[f] transactions for the purchase of gold, foreign exchange or securities which the Currency Stabilization Fund may request pursuant to the provisions of this Law.

• • •

Title II

The Currency Stabilization Fund

Sole Chapter

Organization and Operation of the Fund

• • •

Article 81. The Fund shall deliver currencies in exchange for national currency to those who shall apply therefor in order to make payments abroad.

• • •

Title III

National Currency

Chapter I

Regulation

* * *

Article 90. The bank notes of the National Bank shall be legal tender and shall have unlimited releasing force.

The silver and nickel fractional coins shall be legal tender; the silver coins shall have releasing force in the proportion of eight per cent (8%) of the amount that has to be paid and shall fully release obligations not exceeding ten pesos; the nickel coins shall be legal tender for the payment of any amounts not exceeding one peso.

* * *

Article 95. The national currency, including the bank notes of the National Bank, shall be the only legal tender currency in the national territory and must be accepted, as provided in Article 90, hereof, in payment of obligations contracted or payable in the Republic.

* * *

Article 97. The currency of the United States of America shall cease being legal tender and having releasing force in the national territory, one year after the date on which the National Bank begins operating.

The Executive Power, shall extend this period for an additional period not exceeding one more year if recommended by the National Bank.

At the request of their holders, the National Bank shall exchange currency of the United States of America for national currency.

* * *

This law shall become effective from its publication in the official Gazette of the Republic.

Now, Therefore: I hereby direct that this Law be fully observed and enforced.

Done at the Presidential Palace, in Havana, this 23rd day of December, 1948.

CARLOS PRIO SOCARRAS

Manuel A. Varona
Prime Minister

Antonio Prio Socarras
Minister of the Treasury

(Official Gazette–Special Edition #35–December 30, 1948).

Decree No. 1384 of April 9, 1951

WHEREAS, Law No. 13, of December 23, 1948 provided that the currency of the United States of America shall cease to be legal tender and to have debt redeeming force in the territory of the Nation one year after the date on which the "Banco Nacional de Cuba" (National bank of Cuba) commenced operating, unless the Chief Executive, on the recommendation of said Bank, should extend that period for another period not exceeding one year. And,

WHEREAS, the above mentioned authority to extend for one year the status of legal tender and debt redeeming force of the United States currency in the national territory ought to be construed to cover the possibility of extending said period for a shorter additional period, and to provide for its expiration in such a way that the effects of one and the other provision will not extend beyond said additional one year period. And,

WHEREAS, the "Banco Nacional de Cuba" commenced operating on the 27th day of April, 1950, and then, within the first one year period allowed by said Law No. 13, of December 23, 1948, the Board of Directors thereof requested this Chief Executive to extend the status of legal

tender and debt redeeming force of the United States currency in the national territory until June 30, 1951. And,

WHEREAS, the Board of Directors of said "Banco Nacional de Cuba" has further recommended to this Chief Executive the adoption of certain supplementary regulations in connection with the cessation of said legal tender status and debt redeeming force on June 30, 1951.

NOW, THEREFORE: In pursuance of the powers vested in me by the Constitution and other statutes of the Republic, on the recommendation of the "Banco Nacional de Cuba", as endorsed by the Minister of the Treasury, and with the approval of the Council of Ministers, I hereby,

RESOLVE:

First. To extend the status of legal tender and debt redeeming force of the currency of the United States of America in the territory of the Nation until the thirtieth day of June of the current year.

Second. Beginning on the date on which the United States currency shall cease to be legal tender and have debt redeeming force in the territory of the Nation, all obligations contracted or payable in the national territory shall be expressed and settled in national currency pursuant to the provisions of Law No. 13, of December 23, 1948, subject to no exception other than those specified in Articles 96, 98 and 113 thereof.

The debtors of obligations not included in said exceptions and the payment whereof in United States currency has been stipulated or agreed upon prior to the cessation of such legal tender status and such debt redeeming force, may settle such obligations at par through the delivery of national currency in the same amounts as those previously expressed in United States dollars.

Third. Upon the cessation of the status of legal tender and debt redeeming force of the United States currency, all

bank deposits theretofore kept under such denomination shall be subject to the provision contained in Article 98 of Law No. 13, of December 23, 1948, which shall be applied in accordance with the following rules:

(a) Banks may continue accepting and keeping deposits in United States currency and in any other foreign currency, but adhering to the provisions of this Decree and of Article 113 of Law No. 13 of December 23, 1948.

(b) All withdrawals of funds shall be made by means of non-transferable and non-negotiable documents drawn in accordance with the following form:

Non-transferable ..... Non-negotiable
(Name of the Bank)

Account No. ....
(Place and date)

Please pay to myself the sum of .....

...../100 Dollars and charge same to my account in United States Currency.

$..... .....
(Signature of Depositor)

(c) If the Bank should choose, pursuant to the above-mentioned Article 98 of Law No. 13 of December 23, 1948, to pay in United States banknotes the withdrawals from bank deposits kept under the denomination of United States Currency, such payments shall be made without deducting any expenses, commissions or premiums at the expense of the depositor, who shall be entitled to the free disposition and possession of said currency; and,

(d) If the Bank should choose to pay either in dollar drafts on New York, or in national currency at the then current exchange rate, the election between one and the other form of payment under said Article 98 of Law No. 13 of December 23, 1948 shall be a privilege of the depositor who, by requesting the payment in a dollar draft, shall be deemed to assume the customary transfer expenses and taxes.

Fourth. The "Banco Nacional de Cuba" is hereby directed to attend to the enforcement of this Decree, and to adopt whatever additional regulations may prove necessary.

Done at the Presidential Palace in Havana this 9th day of April of the year 1951.

CARLOS PRIO SOCARRAS
President

Félix Lancís
Prime Minister

José R. Alvarez
Minister of the Treasury

(Official Gazette #92, of April 20, 1951.)

Law No. 568 of September 23, 1959

* * *

Article 1.—For the purposes of this law, the following are considered felonies of monetary contraband:

* * *

6) To export currency or securities, or to transfer funds to points abroad by means of checks, transfers, drafts, letter-orders, orders of payment, compensations, travellers' checks, letters of credit, reimbursements of collections, purchases or sales of passage tickets or through any other similar means, regardless of the origin or source of the funds, except for those cases authorized by the Currency Stabilization Fund, through a member bank or a firm duly authorized by Banco Nacional de Cuba.

* * *

10) To receive and credit to bank accounts kept abroad, or to transfer to third parties collections made abroad for business transacted or services rendered in Cuba, regardless of the source or origin of the respective funds.

* * *

Article 2.—The persons guilty of the felony of currency contraband referred to in the preceding article shall be liable to a penalty of imprisonment for from 6 months and 1 day to 3 years, or a fine of one to two thousand quotas, or both.

If the felony is committed by directors, representatives, officers or employees of banks, corporations, or artificial persons while acting in pursuance of their functions as such, the penalty shall be increased from one fourth to one half, in the discretion of the Court, and the firm to which they belong will be subsidiarily liable for the cash penalties imposed.

Article 3.— a) Any person who sells or in any way assigns, transfers or transmits currency, checks, drafts, orders of payment, travellers' checks or any similar paper in foreign currency shall be liable to imprisonment for from 6 months and 1 day to 3 years, or to a fine of one to two thousand quotas, or both.

Exception is made of tourists with respect to the payments and other operations that are made with the funds they bring with them for their travelling expenses.

b) Any corporate person other than a bank or other entity authorized by the Banco Nacional de Cuba which commits any of the felonies provided for in the preceding Section shall be liable to a fine of from one to two thousand quotas, without prejudice to whatever individual liability may have been incurred by the directors, representatives, officers or employees of the concern.

c) Any person who purchases or otherwise acquires the effects mentioned in Section a) from a natural or artificial person who is not a bank or other entity authorized by the Banco Nacional de Cuba, shall be liable to imprisonment for from 3 months to 1 year, or to a fine of from five hundred to one thousand quotas, or to both.

If any person solicits the foregoing violations from tourists or Cubans who reside abroad and come to visit the Republic, the penalty shall be increased to imprisonment for from 6 months and 1 day to 3 years, or a fine of from 1,000 to 2,000 quotas, or both.

* * *

Article 6.—

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The Currency Stabilization Fund is expressly authorized to order the intervention of any company, business or entity which is presumed to have infringed the provisions of this law.

* * *

Done at the Presidential Palace, in Havana, on this 23rd day of September, 1959. "Year of Liberation".

OSVALDO DORTICOS TORRADO

Fidel Castro Ruz, Prime Minister

Alfredo Yabur Maluf, Minister of Justice.

(Official Gazette No. 183, September 29, 1959)

Law No. 930 of February 23, 1961

Article 14.—The Banco Nacional de Cuba shall regulate the issues of the currency in accordance with the limits approved by the Revolutionary Government, at the proposal of the President of the Bank.

The coins minted and the bills issued shall have the characteristics, designs, denominations, content and other particulars determined by the President of the Republic at the proposal of the President of the Banco Nacional de Cuba.

The coins and bills issued by the Banco Nacional de Cuba shall be the only ones of legal tender and shall be admitted in payment of all obligations demandable in the Republic.

When they may have been or are agreed upon in another currency, they shall be settled and paid necessarily in currency of legal tender. The obligations contracted or agreed upon by the official agencies in charge of foreign trade or of other international operations of the country shall not be included in this provision.

The Banco Nacional de Cuba shall exchange its mutilated bills and coins for others in good condition, in accordance with the rules it may give.

THE CROWN LIFE INSURANCE CO.
HOME OFFICE: TORONTO, CANADA

May 4th, 1961.

Morgan, Lewis & Bockius,
Counselors at Law,
2107 Fidelity-Philadelphia Trust Building,
Philadelphia 9, Pa., U.S.A..
Attention: Mr. Roy L. Cameron, Jr.

Dear Sirs:

Re: Our Policy No. 344,031 on the life of
Alicia Varas Feito

We wish to acknowledge receipt of your letter of April 26th and we also acknowledge receipt of the letters sent to our Philadelphia General Agent, Mr. A. Russell Atwater.

Please be advised that all correspondence concerning this matter should be directed to the undersigned at the Home Office of the Company and not to our General Agent in Philadelphia who has no authority to deal with the matter.

The above policy was applied for, issued and delivered in Cuba in 1944. All premiums since the date of issue until the present have been paid in Cuba through our Havana, Cuba, office. This is a Cuban contract subject to the laws of Cuba.

It is acknowledged that the physical policy is expressed to be payable in United States Dollars in regards to any payments to or by the Company. However, in 1951 a law was passed in Cuba which, in effect, changed the currency of this policy to that of Cuban Pesos. This change in the law was acknowledged by the policyholder by the payment of the premiums subsequent to 1951 in Cuban Pesos which, of course, the Company was obliged to accept. Accordingly, all payments to and by the Company must be made in Cuban Pesos, and since the Castro Government has been in power other laws have been passed which require that payments to and by the Company must be made through our office in Cuba in Cuban Pesos. There are, of course, stringent penalties provided for non-compliance with these laws both from the Company's point of view and your client's point of view. While your client is now residing in the United States and possibly would not be affected by such penalties being invoked by the Cuban Government, it is possible that any members of her immediate family now residing in Cuba (if any) could be subjected to the same penalties.

Under the circumstances we cannot comply with your client's request to pay the cash surrender value of this policy in United States currency and we are sure that you will appreciate that it is because of reasons over which we have no control.

Yours very truly,

G. C. DONLEY
Counsel

GCD:EBT